

ORDINANCE NO. 024-73

AN ORDINANCE AUTHORIZING
THE PURCHASE OF PRIMARY
AND EXCESS PROPERTY
INSURANCE COVERAGE FOR
POLICY YEAR 2024-2025

WHEREAS, The Chicago Transit Authority (“Authority”) entered into a contract with Alliant/Mesirow Insurance Services, Inc. (“Alliant”) and its Disadvantaged Business Enterprise (DBE) subcontractor, Paradigm Risk Management, for professional insurance brokerage services; and

WHEREAS, Authority staff and Alliant recently updated the list of the Authority’s property and assets and determined that the current value has increased from \$7.358 billion to \$7.619 billion; and

WHEREAS, As in previous years, the Authority directed Alliant to engage in a competitive process to identify insurance carriers that could provide property insurance to the Authority; and

WHEREAS, Alliant approached the insurance market aggressively, submitting the Authority’s underwriting submission for property insurance coverage to approximately 50 insurance carriers; and

WHEREAS, Staff recommends the purchase of property insurance on a shared and layered program led by Lloyd’s of London and including the participation of additional carriers for a total not-to-exceed sum of Seven Million Two Hundred Thousand Dollars (\$7,200,000.00) to cover all property insurance costs for the policy year July 29, 2024 to July 29, 2025; and

WHEREAS, In the event that there is a premium increase due to an increase in the value of the Authority’s property by more than five percent (5%) and thereby requiring a reconciliation premium, Board approval of the increase will be obtained in advance of payment if the total amount of the premium is greater than the not-to-exceed sum; and

WHEREAS, In the event that there is a premium increase due to a material event occurring prior to the beginning of the policy year that affects initial pricing, Board approval of the increase will be obtained in advance of payment; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The General Counsel of the Chicago Transit Authority, or designee, is authorized to enter into an insurance contract for primary and excess

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property insurance with Lloyd's of London and additional carriers for property coverage for all Authority property from July 29, 2024 to July 29, 2025, for a not-to-exceed cost of Seven Million Two Hundred Thousand Dollars (\$7,200,000.00).

SECTION 2. The Chairman of the Chicago Transit Board, or designee, is further authorized to take such actions and execute such documents as may be necessary to implement the objectives of this ordinance.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

Secretary

June 25, 2024

June 25, 2024